STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-058

December 21, 1998

CENTRAL MAINE POWER COMPANY
Divestiture of Generation
Assets - Request for Approval
of sale of Generation Assets

CORRECTED
ORDER - PART II

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In our Part I Order of November 25, 1998, we approved the sale of generation assets from Central Maine Power Company (CMP or the Company) to FPL Energy Maine, Inc. (FPL-Me). In this Part II Order, we describe our findings and reasoning in approving the sale.

We find that the sale of CMP's hydro, fossil and biomass generation assets offers significant benefits to CMP's ratepayers, even if the Letter Agreement between CMP and FPL-Me, in which CMP agrees to support FPL-Me in certain NEPOOL and FERC transmission issues, is considered a necessary and integral part of the sale transaction. In light of our willingness to approve the sale whether or not the Letter Agreement is deemed to be an element thereof, we find it unnecessary to decide whether as a matter of contract law, the Letter Agreement is an integral part of the transaction.

In a confidential appendix to this Order, we consider the reasonableness of CMP's conduct in analyzing the bids and entering into agreements with FPL-Me, including the buyback transaction with FPL-Me. We conclude that CMP acted reasonably.

II. CMP'S DIVESTITURE PLAN AND PROCEDURAL HISTORY

With the passage of "An Act to Restructure the State's Electric Industry" (The Restructuring Act), CMP is required, with limited exceptions, to divest all generation assets and all generation-related business activities by March 1, 2000. P.L. 1997, ch. 316 *enacting* 35-A M.R.S.A. § 3204(1). The Restructuring Act requires the divestiture to be accomplished according to a plan submitted to the Commission for review. The divestiture of generation assets is important both as a means to

ensure effective competition and as a means to value generation assets for purposes of measuring stranded costs.

By orders dated December 24, 1997 and January 14, 1998, the Commission approved CMP's divestiture plan (the Divestiture Plan Orders). The plan was developed with the assistance of CMP's advisor, SBC Warburg Dillon Read, Inc. (Dillon Read). Following the recommendation of Dillon Read, CMP grouped the generation assets into diversified sales portfolios of hydro, fossil, biomass, nuclear interests and purchased power contract entitlements called business units. Business units could be bid on as separate groups, or as a total package. CMP and Dillon Read opted to conduct a two-phase bidding process, to maximize participation at each phase in order to produce the highest and most reliable bids at the end of the process.

On January 6, 1998, CMP selected National Energy Holdings, Inc., now known as FPL Energy Maine, Inc. (FPL-Me), as the winning bidder for the hydro, fossil and biomass business units. FPL-Me agreed to pay $846 million for the 31 hydro electric facilities totaling 373 megawatts, the three oil fired facilities, Wyman Units 1-4 in Yarmouth, Mason Station in Wiscasset and the Cape Station in Cape Elizabeth, and the biomass facility in Fort Fairfield owned by Aroostook Valley Electric Company (AVEC). CMP (and affiliates) and FPL-Me entered into an Asset Purchase Agreement, a Continuing Site Interconnection Agreement and two transitional power sales agreements describing and setting the terms for the proposed sale.

CMP rejected all bids for the nuclear interests and purchased power contract entitlement business units. As part of the purchased power contract business unit, CMP also rejected all bids for its interests in the Hydro Quebec tie-line, the only generation-related asset not proposed to be sold to FPL-Me that CMP must divest by March 1, 2000.[1]

In our January 14 Order, we observed that ratepayers might benefit if power entitlements were sold for periods shorter than the length of the contracts and then rebid. A periodic rebid strategy could provide a hedge for ratepayers if market price expectations substantially increase, because the other generating assets are valued based on today's expectations of future market clearing prices. We agree with CMP's decision that none of the bids for the nuclear or contract entitlements was of sufficient value to warrant abandoning the periodic re-bid option.

[1] Section 3204 provides for the Commission to promulgate a rule on waiving or extending the divestiture requirement in certain circumstances.

On February 20, 1998, CMP filed a petition seeking 1) approval to divest the hydro, fossil and biomass generation assets pursuant to the Commission's Order Approving CMP's Divestiture Plan, 2) approval to sell the generation assets pursuant to 35-A M.R.S.A. §§ 1101 and 1104, and 3) any further approval that may be required under Maine public utilities law for such divestiture and sale. Petitions to intervene were granted on behalf of the Office of the Public Advocate (OPA), Regional Waste Systems, Conservation Law Foundation and Appalachian Mountain Club, Power Generation, Inc., the Industrial Energy Consumer Group (IECG), the City of Lewiston, the Independent Energy Producers of Maine (IEPM) and Miller Hydro. Late filed petitions on behalf of American National Power (ANP), the Town of Gorham and Houlton Water Company were granted.

On June 16, 1998, CMP and FPL-Me executed a Term Sheet Regarding Supplemental Agreements (including a First Amendment to Asset Purchase Agreement) (Term Sheet), a First Amendment to Continuing Site/Interconnection Agreement and a Letter Agreement regarding Interconnection Agreement (Letter Agreement). The June 16 Supplemental and Amendment Agreements pertain to 1) the sale of certain hydro storage facilities held by CMP and its subsidiaries on the Kennebec and Androscoggin Rivers; 2) the sale of certain real property and rights associated with their various hydro facilities that were not included in the January 6, 1998 Asset Purchase Agreement; 3) the sale of 2,100 sulfur dioxide (SO_2) allowances obtained from the Conservation and Renewable Energy Reserve; 4) adjustment of the closing date for the biomass asset;[2] 5) the reimbursement of certain employee relocation expenses; and 6) issues relating to the Continuing Site/Interconnection Agreement. Pursuant to the Term Sheet, FPL-Me agreed to pay $1.5 million for the additional assets, increasing the total purchase price to $847.5 million.

On June 23, 1998, CMP amended and supplemented its February 20, 1998 Petition to seek Commission approval for the disposition of the hydro storage facilities, the additional lands and property rights and the 2,100 SO_2 allowances that are subject to the Term Sheet. By its Petition, as amended and supplemented, CMP requested approval of the integrated transaction with FPL-Me as embodied by the four contracts, the Term Sheet, and the Letter Agreement.

On June 16, 1998, CMP, the Public Advocate, IECG, IEPM and Miller Hydro entered into and filed a Partial Stipulation which,

[2] At the request of Houlton Water Company (HWC), CMP and FPL-Me agreed that transfer of the biomass plant would not take place before February 3, 1999. The biomass plant is the principal means by which CMP meets a supply commitment to HWC that extends until February 3, 1999.

if approved, would have resulted in the approval of the sale covered by CMP's February 20 Petition. During the July 2, 1998 hearing on the Partial Stipulation, the IECG revoked its support of the Partial Stipulation based on concerns with the Letter Agreement. The IECG alleged that the Letter Agreement "fundamentally changed" the transaction between CMP and FPL-Me such that the IECG felt it could no longer support the Partial Stipulation. The OPA also withdrew its support of the Partial Stipulation.

By letter dated July 14, 1998, CMP sought to withdraw the request in its June 23 Amendment and Supplement to Petition for approval of the Letter Agreement on the grounds that the Maine Commission did not have authority to approve the Letter Agreement. CMP subsequently "withdrew its request to withdraw" at the July 17, 1998 Conference of Counsel. CMP claims that while the Letter Agreement does not need approval *per se*, the Letter Agreement is a necessary part of the sale agreement that does require Commission approval.

By its terms, the Letter Agreement clarifies certain issues relating to the implementation of the Continuing Site/Interconnection Agreement of January 6, 1998, as amended by the First Amendment of June 16, 1998 (the Interconnection Agreement). The pertinent sections of the Letter Agreement, Sections 2 through 4, require CMP to support specific positions and to make certain efforts regarding transmission policy related to new generation. These transmission policies are made by NEPOOL, of which CMP is a voting member, subject to review and ultimate approval by the Federal Energy Regulatory Commission (FERC).

In Section 2 of the Letter Agreement, CMP agrees that it will support the position that modifications that do not change the maximum capability or electrical characteristics of a generating facility should not result in the need for modification of the transmission system or affect any priority of use of the transmission system. In addition, CMP agrees to support the position that only the increase in capability associated with such modifications be treated as recommended with respect to the impact on the transmission system.

The third section specifies that system impact studies done by CMP to determine if new transmission is required as a result of new generation shall assume maximum stress on the system, as the NEPOOL Agreement now requires, and will continue to do so until specifically prohibited by FERC, NEPOOL or ISO-NE. System impact studies are performed by the host utility in conjunction with ISO-New England staff. Section 18.4 of the Related NEPOOL Agreement requires review and approval by a NEPOOL Committee

before a participant can implement a proposed change. The third section also provides that CMP will use commercially reasonable efforts to uphold this procedure and take no action to change it.

In the fourth section, CMP agrees to support the position that costs associated with building transmission for new generation will either be rolled into NEPOOL transmission rates or directly assigned to the developer of the new generation. Also, if new transmission is not built, CMP will advocate for the position that existing generation should have priority of use and curtailment rights over any new generation.

III. POSITION OF THE PARTIES

All parties that have filed briefs, CMP, IECG and the OPA, believe the Commission should ultimately approve the sale transaction. Disagreement arises as to the timing of that approval and the action, if any, that the Commission should take with respect to the Letter Agreement. At least some of the parties also disagree as to whether Commission action with respect to the Letter Agreement affects CMP's legal ability to close the sale transaction.

A. CMP

CMP urges the Commission to approve the proposed asset sale to FPL-Me pursuant to the terms of what it sees as an integrated transaction. In CMP's view, the Letter Agreement was a necessary price to pay as part of an overall transaction that is highly beneficial to Maine ratepayers because it maximizes the value of CMP's generation assets and thereby reduces the stranded cost burden. Even after January 6, 1998, CMP was obligated to pursue the matters ultimately stated in the Letter Agreement because under Article 7.4(d) of the Asset Purchase Agreement, CMP and FPL-Me "agree[d] to negotiate and enter into in good faith such further agreements as may be necessary for operating the Purchased Assets after the Closing Date." Thus, in CMP's view, when it became apparent that FPL had concerns about transmission access and transmission pricing as stated in the January 6 Agreements, CMP was obligated to, and in fact it was in CMP's interest to, clarify any misunderstandings related to the sale transaction.

CMP also argues that the OPA's and IECG's opposition to the substantive positions of the Letter Agreement are matters within FERC's jurisdiction and therefore not matters that this Commission should consider in deciding whether to approve the sale transaction. In any event, CMP asserts that the Letter Agreement does not give FPL-Me any extraordinary rights but only those that any prudent purchaser of CMP's generation assets would

demand because the ability to deliver the electric power to market is an intrinsic part of the asset purchase. Hence, the transmission access assurances demanded by FPL-Me were reasonable. The fact that those assurances are included within the current terms of CMP's and NEPOOL's open access transmission tariff (OATT) confirms the reasonableness of both FPL's position and the terms of the Letter Agreement.

CMP also claims that the provisions of the Letter Agreement, although a clarification of the interconnection agreement that has a 30-year term, will have practical effect for only a short period of time. In CMP's view, its obligation to support a position at NEPOOL and FERC effectively endures only until the applicable NEPOOL policy is established. Once established and approved by FERC, CMP will simply follow the new FERC established policy. CMP has no continuing obligation to lobby NEPOOL or FERC to adopt a policy that has been rejected or abandoned.

In response to the IECG's assertion that it is unreasonable for CMP "to sell its NEPOOL vote," CMP concedes that it has committed to take certain positions at NEPOOL and FERC on issues as stated in the Letter Agreement.

CMP asserts that the IECG's suggestion to sever the Letter Agreement from the integrated transaction poses an unacceptable risk because FPL-Me could claim that the separation of the Letter Agreement from the sale transaction by the Maine PUC constitutes the absence of a necessary regulatory approval upon which closing of the sale transaction is dependent.

B. IECG

In its brief, the IECG argues that CMP acted unreasonably by selling its NEPOOL vote; by promising to engage in collusive litigation with FPL-Me at FERC to overturn NEPOOL decisions; and by promising to vote for and advocate a transmission policy that is contrary to the Restructuring Act and detrimental to ratepayers. In the IECG's view, the Letter Agreement constitutes an unjust and unreasonable act or practice by a utility that the Commission should stop by rejecting the Letter Agreement. While the IECG concedes that the Asset Purchase Agreement is beneficial to ratepayers and should be approved, it argues that the Letter Agreement is separate from the January 6 agreements and therefore can be rejected without permitting FPL to escape its obligations under the January 6 agreements.

The IECG also argues that the Letter Agreement is an unreasonably open-ended commitment for CMP to use its NEPOOL

influence on behalf of FPL-Me. IECG dismisses CMP's claim about the insignificance of CMP's 7% control over NEPOOL. The IECG argues that CMP maintains significant discretion in many areas, such as conducting system improvement studies, and that much of NEPOOL's work is done in committees and subcommittees where CMP's participation has been significant. Thus, according to the IECG, the sale of the transmission and distribution utility's NEPOOL votes to the owner of the generation assets violates the intent behind the Restructuring Act, which requires the separation of generation from transmission and distribution.

In comments and exceptions filed subsequent to briefs, the IECG no longer requests specific disapproval of the Letter Agreement, in light of two FERC decisions on October 29, 1998. The FERC decisions are Champion International Corp. and Bucksport Energy LLC v. ISO New England et al., 85 FERC Rep (CCH) ¶ 61,142 (1998) and In re New England Power Pool, 85 F.E.R.C. Rep (CCH) ¶ 61,141 (1998) (collectively referred to as the October 29 Orders). In both of these Orders, FERC found that the System Impact Study process and assumptions currently employed by NEPOOL were flawed and unreasonable. Further, FERC ordered that the System Impact Study process be changed and that new developers seeking to interconnect to the system not be subjected to the full integration requirement. The Orders also require NEPOOL to implement a Congestion Management System which does not require full integration.

In its exceptions, the IECG asserts that the potential harm of the Letter Agreement has been reduced by FERC's ruling on the System Impact Study process and accordingly rejection of the Letter Agreement is no longer mandated to protect the competitive market. However, the IECG urges the Commission to treat the Letter Agreement as a separate agreement from the Asset Purchase Agreement and not to approve the Letter Agreement as part of the integrated transaction.

C. OPA

The Public Advocate argues that the Commission should approve the sale transaction to FPL-Me. Ratepayers, however, will be harmed by the Letter Agreement, and therefore, the Commission should not endorse the Letter Agreement and should participate at FERC to advocate that the positions advanced in the Letter Agreement stifle competition. In urging the Commission not to approve the Letter Agreement, the OPA argues that endorsement by the Commission of the Letter Agreement is not a necessary component of the regulatory approvals needed for the FPL-CMP sale to close.

IV. DECISION

By the Restructuring Act, CMP must divest its generation assets in accordance with the Commission orders of December 24, 1997 and January 14, 1998. The Divestiture Plan Orders contemplate Commission approval of any sale of generation assets pursuant to 35-A M.R.S.A. § 1101, which requires approval of the sale of any necessary or useful asset, and perhaps as a necessary part of the Divestiture Plan itself.

A. Public Interest Standard

Since the plan does not provide guidance on the standard to be applied in approving a sale, we will use the section 1101 standard. To grant approval pursuant to section 1101 to sell utility property, the Commission must find the sale to be in the public interest. Maine Yankee Atomic Power Company, Docket No. 83-21 (Nov. 4, 1983). We must approve asset sales "to protect ratepayers against an imprudent sale by the utility of equipment useful to the public." Central Maine Power Company, Advisory Ruling on 35 M.R.S.A. § 211,[3] Docket No. 83-175, at 3 (Sept. 8, 1983). Cf. Central Maine Power Company, Docket No. 93-317 (Feb. 2, 1994) (authorization to lease substation to Portland Pipeline denied) and Central Maine Power Company, Docket No. 92-006 (Feb. 19, 1992) (sale of dam for $1 approved because economically beneficial to ratepayers).

Obviously, the Legislature has already decided that sales by electric utilities of their generation assets are in the public interest. The Divestiture Plan Orders provide guidance in determining whether a proposed sale meets this standard. A sale should not be accomplished in a way that inhibits effective competition in generation services, such as by unreasonably concentrating market share. Furthermore, the time and manner of the auction process must be reasonably conducted to bring about the highest possible value of the generation assets.

B. Asset Purchase Agreement with FPL-Me

All parties agree that, apart from the Letter Agreement, the sale of assets to FPL-Me should be approved. Although the parties no longer support their stipulation of June 16 because of the Letter Agreement, the parties apparently continue to believe that the FPL-Me sale satisfies the Restructuring Act requirement of reasonably attaining the highest possible value of the generation assets.

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[3] 35 M.R.S.A. § 211 was the predecessor section to 35-A M.R.S.A. § 1101.

We agree that the sale agreement offers many benefits to ratepayers, and that CMP and its advisors conducted the auction process in a reasonable manner likely to bring about vigorous, competitive bidding. We also agree with CMP that the auction process was more likely to maximize value than other modes of sale or transfer, such as spin-offs. Issues exist, however, concerning whether CMP has chosen among bids, including buy-back arrangements, in a manner that reasonably maximizes the value obtained by CMP. These issues are made more significant by the additions to the deal in the June 16 agreements. We believe that for stranded cost ratemaking purposes, we must determine whether CMP has reasonably maximized the net value obtained from selling its assets. Because the actual bids, including buybacks and other power supply options, are subject to protective orders, and must remain confidential until actual transfer of the assets proposed to be sold, we discuss those issues in Appendix A, which is subject to Protective Order No. 1.

In Appendix A, we find that CMP reasonably maximized the net value obtainable from its generation assets through their sale to FPL-Me.[4] This finding includes consideration of the buyback agreement with FPL-Me. We agree then with the parties that absent the Letter Agreement issues, the sale transaction should be approved. We next turn to the Letter Agreement issues.

C. Letter Agreement

In the Divestiture Plan orders we articulated concerns that a sale of generation assets may result in market concentrations that would inhibit effective competition. However, all parties agree, and the evidence supports a finding, that the sale to FPL-Me does not create or worsen market power problems in any relevant generation market.

The IECG argued, however, as did the OPA to a lesser extent, that the Letter Agreement threatens effective competition. CMP denies that the Letter Agreement is of any significance to the restructuring issues relevant to deciding the sale approval issues. While the IECG no longer finds the Letter Agreement to be a sufficient threat that the Agreement should be rejected by the Commission, the IECG urges the Commission to find that the Letter Agreement is a separate contract from the Asset Purchase Agreement and thereby avoid approving the Letter Agreement by approving the sale.

Both sides to this debate have failed to perceive the weaknesses within their own arguments. CMP is correct in

[4] The actual ratemaking determination of the net value obtained cannot be made until after closing and will be made in the CMP T&D rate case.

asserting that the provisions within the Letter Agreement pertain to matters within FERC and not Maine PUC jurisdiction. However, the Legislature recognized the importance of such federal issues when it required the Commission to monitor the management of competitive access to the transmission system. 35-A M.R.S.A. § 3217(3). Divestiture is required to deregulate generation or "restructure" the industry. As the IECG correctly points out, for the restructured, deregulated generation industry to function properly, the transmission system must be reliable and accessible. Moreover, CMP asserts that the Commission should treat the Letter Agreement as an integral part of the divestiture that CMP proposes. Even though the provisions within the Letter Agreement pertain to FERC issues, we must review the merits of the Letter Agreement in determining whether the sale to FPL-Me is in the public interest.

CMP also dismisses too lightly the arguments about the significance of the value given to FPL-Me as part of the Letter Agreement. CMP asserts that its NEPOOL support, as no more than 7% of the votes, will not carry the day. However, as IECG correctly points out, the separation of generation from transmission and distribution is the very definition of electric restructuring. An agreement that realigns the interest of Maine's largest T&D utility with the interests of a generator should not be taken lightly.

Moreover, the transmission access policies may be made in formal NEPOOL votes and FERC proceedings, but the policies tend to be both established and implemented in committees and subcommittees, where CMP's influence and participation has been significant. Considerable discretion also is retained by the entity conducting System Integration Studies (SIS).

Lastly, CMP asserts that all other bidders were aware of and bid on similar benefits as those within the Letter Agreement. Yet that assertion appears contrary to the draft Interconnection Agreement made available to all bidders and to the initial position taken by CMP in negotiations between CMP and FPL-Me between January 6 and June 16.

Thus, we agree with the IECG and OPA that, standing alone, the Letter Agreement is not in the ratepayers' interest. The T&D's NEPOOL vote is not a generation asset that should be for sale. Entry into the generation market is necessary for the market to become competitive, and the transmission policies that CMP must support by the terms of the Letter Agreement may inhibit new entry.

However, just as CMP understates the significance of the Letter Agreement, IECG overstates it. The Letter Agreement

requires only that CMP advocate certain positions. Neither CMP nor even NEPOOL will ultimately decide these transmission access terms and conditions. FERC will. With FERC as the final decision-maker, we do not believe that the Letter Agreement will have the anticompetitive effect described by the IECG. While we do not consider the concessions made by CMP in the Letter Agreement to be trivial, in the final analysis, it falls to FERC and not NEPOOL to ensure fair and pro-competitive transmission access policies.

In fact, as described earlier, FERC recently decided that NEPOOL must revise the SIS procedures without the 100% integration assumption and develop a congestion management proposal in conjunction with the revised study procedure by March 31, 1999. The October 29 Orders, 85 FERC Rep (CCH) ¶ 61,141 and ¶ 61,142. Given FERC's awareness of the problems inherent in the current SIS procedures, as reflected in its recent decisions, we think it very unlikely that the Letter Agreement could grant FPL-Me an advantage that will render competition ineffective.

Moreover, we are concerned with much more than just the Letter Agreement in this case. A sale of these assets must occur; divestiture is required by the Restructuring Act. The evidence presented in this case indicates that, overall, a sale under these terms and at this time is in the public interest. The sale is the result of a well-conducted auction which produced a price that compares favorably to other recent utility asset sales. The negatives presented by the Letter Agreement are simply insufficient for the Commission to forego the certain benefits that will flow from the sales transaction.

Thus, even assuming that the Letter Agreement does not stand alone, but is an integral part of the Asset Purchase Agreement, we find approval of the sale to be in the public interest. We therefore find it unnecessary to decide whether, as a matter of contract law, the Letter Agreement is integral to the sale.

We reject the IECG's argument that we should find the Letter Agreement a separate contract to avoid any actual or implied approval of the Letter Agreement. The IECG's position risks that a court might conclude that the Letter Agreement is integral to the Asset Purchase Agreement and that a contrary finding by us amounts to the failure of a necessary regulatory approval, giving FPL-Me the right to withdraw from the contract.[5]

[5] The Letter Agreement appears to reflect a clear expectation by FPL-Me that NEPOOL and FERC would be revisiting the transmission access rules in connection with the move toward a competitive market. As the means of dealing with a situation over which it

We cannot conclude that there is insubstantial risk that a court would find that the Letter Agreement is integral to the Asset Purchase Agreement (APA). Both the APA and the Continuing Site Interconnection Agreement were amended on the same date the Letter Agreement was signed. The relevant documents are ambiguous in this respect. There is parole evidence from the two contracting parties that they intended the Letter Agreement to be integral to the APA. Moreover, the Letter Agreement is made "in reference to the Continuing Site Interconnection Agreement." An explicit closing condition of the Asset Purchase Agreement is that all approvals required for the execution, delivering and performance of the Continuing Site Interconnection Agreement must be obtained. Thus, we cannot sever the Letter Agreement from the APA without creating some risk that a court might rule that CMP has not met all closing conditions under the APA. The risk associated with the IECG's position seems much greater than the risks presented by the Letter Agreement itself.[6]

E. Conclusion

We have found the sale of CMP's hydro, fossil and biomass generation assets to FPL-Me to be in the public interest. All other necessary findings and ordering paragraphs were made in the Part I Order.

Dated at Augusta, Maine this 21st day of December, 1998.

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had limited control, FPL-Me apparently wanted CMP to be contractually committed to support positions favorable to the interests of FPL-Me as the new owner of the generation assets. Against that backdrop, there is reason to expect that FPL-Me would argue that the Letter Agreement is an integral part of the asset sale and that a contrary determination by us would give it the right to withdraw from the contract.

[6] The parties disputed the length of time CMP is obligated under the Agreement to pursue FPL's interests at NEPOOL and the extent to which CMP would be obligated to act in accordance with FPL's interests if NEPOOL or FERC required changes to the current SIS process. The IECG asserts that the Letter Agreement is an open-ended commitment. CMP describes a more limited obligation that would last only until the applicable policies and procedures are established by FERC. CMP would act in accordance with these policies and procedures, once established, and have no continuing obligation to represent or act to support FPL's interests. Our conclusion that FERC will ultimately decide the transmission access policies diminishes the importance of the duration of the Agreement. However, we expect CMP's future actions will conform to its interpretation.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: WELCH
NUGENT
DIAMOND

This document has been designated for publication.

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of adjudicatory proceedings are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 6(N) of the Commission's Rules of Practice and Procedure (65-407 C.M.R.11) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which consideration is sought.

2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.

3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.